

HOUSE BILL NO. 771

INTRODUCED BY BERGREN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME TAX ON MOTOR HOMES OWNED BY A CORPORATION OR OTHER BUSINESS ENTITY; REQUIRING PAYMENT OF THE TAX UPON A TRANSFER OF THE MOTOR HOME; ~~APPROPRIATING~~ ALLOCATING THE FIRST \$1 MILLION OF THE TAX COLLECTIONS FOR LEWIS AND CLARK BICENTENNIAL EVENTS; AMENDING SECTIONS 61-3-501 AND 61-3-509, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. One-time motor home tax -- change of ownership. (1) ~~If the~~ UPON THE TRANSFER OF A MOTOR HOME, IF THE NEW owner of a motor home is a corporation or other business entity, the NEW owner shall pay a one-time tax based on the age and length of the motor home according to the following schedule at the time of registration:

| | LENGTH IN FEET | |
|-----------------------------|---------------------------------|--------------------|
| | 36 feet to less than 41 feet | 41 feet or more |
| Less than 2 years old | \$250 | \$500 |
| 2 years old and less than 3 | \$230 | \$460 |
| 3 years old and less than 4 | \$195 | \$390 |
| 4 years old and less than 5 | \$150 | \$300 |
| 5 years old and less than 6 | \$125 | \$250 |
| 6 years old and less than 7 | \$100 | \$200 |
| 7 years old and less than 8 | \$75 | \$150 |
| 8 years old and older | \$65 | \$130 |

(2) (a) Except as provided in subsection (2)(b), the age of a motor home is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of a motor home precedes the designated model year of the motor home and the motor home is originally issued a certificate of title in Montana, then the purchase year is considered the

1 model year for purposes of calculating the tax.

2 (3) Except as provided in subsection (4), whenever a transfer of ownership of a motor home is made
3 to a different corporation or business entity, the one-time tax required under subsection (1) must be paid by the
4 new owner.

5 (4) The tax need not be paid by a dealer for motor homes that constitute inventory of the dealership.
6

7 **Section 2.** Section 61-3-501, MCA, is amended to read:

8 **"61-3-501. When vehicle taxes and fees are due.** (1) Light vehicle registration fees, local option
9 vehicle taxes or fees, fees in lieu of tax, motor home taxes, and other fees must be paid on the date of
10 registration or reregistration of the vehicle.

11 (2) (a) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held
12 for sale by a licensed new or used car dealer, light vehicle registration fees, local option vehicle taxes or fees,
13 or fees in lieu of tax abate on the vehicle properly reported with the county treasurer until the vehicle is the
14 subject of a retail sale. After the sale, the purchaser shall pay the pro rata balance of the light vehicle registration
15 fees, local option vehicle taxes or fees, or fees in lieu of tax due and owing on the vehicle.

16 (b) A person selling a vehicle or trading a vehicle to a dealer shall disclose to the purchaser any amount
17 of taxes or fees in lieu of tax that are due or past due on the vehicle at the time the person sells a vehicle or
18 trades a vehicle to a dealer. If the disclosure is not made, the person selling the vehicle or trading the vehicle
19 to the dealer shall pay the taxes or fees. Taxes or fees in lieu of tax that are due or past due on a vehicle at the
20 time that a person sells or trades the vehicle to a dealer must be paid by the person who sold or traded the
21 vehicle to the dealer, unless the person who purchases the vehicle from the dealer agrees in writing to assume
22 the payment of those taxes or fees. This subsection (2)(b) does not apply to fleet vehicles, leased vehicles, or
23 rental return vehicles.

24 (c) For the purposes of this subsection (2), a retail sale does not include a transfer between any of the
25 following:

- 26 (i) a licensed new motor vehicle or used motor vehicle dealer;
27 (ii) another licensed new motor vehicle or used motor vehicle dealer;
28 (iii) a licensed wholesaler; or
29 (iv) a licensed auto auction.

30 (3) In the event that a vehicle's registration period is changed under 61-3-315, all light vehicle

1 registration fees, local option vehicle taxes or fees, fees in lieu of tax, and other fees due must be prorated and
2 paid from the last day of the old period until the first day of the new period in which the vehicle is registered. The
3 light vehicle registration fees, local option vehicle taxes or fees, fees in lieu of tax, and other fees must be paid
4 from the first day of the new period for a minimum period of 1 year. When the change is to a later registration
5 period, light vehicle registration fees, local option vehicle taxes or fees, and other fees must be prorated and paid
6 based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary
7 registration period, each vehicle must again be registered or reregistered and all light vehicle registration fees,
8 local option vehicle taxes or fees, and other fees must be paid for a 12-month period."

9
10 **Section 3.** Section 61-3-509, MCA, is amended to read:

11 **"61-3-509. Disposition of fees.** All registration fees imposed by 61-3-561 from light vehicles, all
12 registration fees imposed by 61-3-522 from motor homes, [except as provided in [section 4]], all motor home
13 taxes imposed by [section 1], all fees in lieu of tax imposed by 61-3-527 from motorcycles and quadricycles, and
14 all fees imposed by 61-3-529 from buses, motor vehicles having a manufacturer's rated capacity of more than
15 1 ton, and truck tractors, for which a license is sought and an original application for title that includes a
16 manufacturer's statement of origin is made, must be remitted to the department of revenue every 30 days. The
17 department of revenue shall credit the payments to the state general fund."

18
19 NEW SECTION. **Section 4. Motor home taxes -- ~~appropriation~~ DEDICATION to Lewis and Clark**
20 **bicentennial commission.** (†) The first \$1 million generated from the tax imposed pursuant to [section 1] is
21 dedicated to the Lewis and Clark bicentennial commission, provided for in 2-15-150, for the purpose of funding
22 the two national signature events awarded to Montana.

23 ~~(2) (a) There is appropriated \$500,000 from the collections dedicated in subsection (1) in the general~~
24 ~~fund to the Lewis and Clark bicentennial commission to be allocated by the commission to the national signature~~
25 ~~event awarded to Montana, explore the big sky, scheduled for June 1 through July 4, 2005.~~

26 ~~(b) There is appropriated \$500,000 from the collections dedicated in subsection (1) in the general fund~~
27 ~~to the Lewis and Clark bicentennial commission to be allocated by the commission to the national signature~~
28 ~~event awarded to Montana, Clark on the Yellowstone, scheduled for July 22 through July 25, 2006.~~

29
30 COORDINATION SECTION. **Section 5. Coordination instruction.** If [this act] is passed and approved

1 but House Bill No. 417 is not passed and approved, then:

2 (1) in [section 3 of this act], amending 61-3-509, the bracketed language reading "except as provided
3 in [section 4]" is void; and

4 (2) [section 4 of this act] is void.

5
6 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
7 integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [section 1].

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9 **NEW SECTION. Section 7. Effective date.** [This act] is effective January 1, 2006.

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11 **NEW SECTION. SECTION 8. APPLICABILITY. [THIS ACT] APPLIES TO TRANSFERS OCCURRING ON OR AFTER**
12 **[THE EFFECTIVE DATE OF THIS ACT].**

13 - END -